



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2008
Quarter: 2nd Qtr
Financial Year End: 31/03/2009
The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/09/2008

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2008 RM'000	Preceding year quarter 30/09/2007 RM'000	Current year to date 30/09/2008 RM'000	Preceding year to date 30/09/2007 RM'000
1 Revenue	152,398	118,912	310,944	211,325
2 Profit before tax	49,035	52,168	106,963	69,395
3 Profit for the period	36,917	37,672	80,689	50,164
4 Profit/(loss) attributable to ordinary equity holders of the Company	36,915	37,667	80,687	50,155
5 Basic earnings/(loss) per share (sen)	5.77	6.53	12.62	8.79
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/09/2008		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.24		1.22

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER	
	2008 RM'000 (unaudited)	2007 RM'000 (unaudited)	2008 RM'000 (unaudited)	2007 RM'000 (unaudited)
Revenue	152,398	118,912	310,944	211,325
Operating Expenses	(105,019)	(66,219)	(208,540)	(141,084)
Other Income	565	440	1,769	1,079
Profit from Operations	47,944	53,133	104,173	71,320
Finance Costs	(1,217)	(1,870)	(2,250)	(3,474)
Share of results of Associate	2,355	908	5,077	1,557
Share of results of Jointly Controlled Entities	(47)	(3)	(37)	(8)
Profit Before Taxation	49,035	52,168	106,963	69,395
Taxation	(12,118)	(14,496)	(26,274)	(19,231)
Profit for the Period	36,917	37,672	80,689	50,164
Profit for the Period attributable to:				
- Equity holders of the Company	36,915	37,667	80,687	50,155
- Minority Interests	2	5	2	9
	36,917	37,672	80,689	50,164
Earnings per share attributable to equity holders of the Company (sen):				
(a) Basic:				
- [Note B13]	5.77 sen	6.53 sen	12.62 sen	8.79 sen
(b) Fully diluted:				
- [Note B13]	5.76 sen	5.95 sen	12.60 sen	8.00 sen

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2008

	30 September 2008 RM'000 (Unaudited)	31 March 2008 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, Plant and Equipment	238,318	216,478
Leasehold land	117,806	118,804
Plantation Expenditure	423,907	416,898
Investments in Associate	16,639	11,562
Investment in Jointly Controlled Entities	10,022	10,691
Other Receivables	39,626	25,024
Deferred Tax Assets	3,602	3,171
	849,920	802,628
Current Assets:		
Inventories	39,170	40,409
Trade and Other Receivables	61,545	55,488
Tax recoverable	1,386	1,598
Cash and Bank Balances	87,717	99,416
	189,818	196,911
TOTAL ASSETS	1,039,738	999,539
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	320,129	319,298
Reserves	476,965	457,029
	797,094	776,327
Minority interests	1,643	-
Total Equity	798,737	776,327
Non-Current Liabilities:		
Borrowings	34,927	34,895
Deferred Tax Liabilities	118,385	107,790
	153,312	142,685
Current Liabilities:		
Trade and Other Payables	45,925	42,496
Borrowings	34,986	34,946
Tax payables	6,778	3,085
	87,689	80,527
Total Liabilities	241,001	223,212
TOTAL EQUITY AND LIABILITIES	1,039,738	999,539
 Net Assets Per Share attributable to ordinary shareholders of the Company (RM)	 1.24	 1.22

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Attributable to Equity Holders of the Company					Minority Interests	Total Equity
	Non distributable Reserve			Distributable Reserve			
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2008	319,298	58,418	54,739	343,872	776,327	-	776,327
Realisation of revaluation reserve	-	-	(96)	96	-	-	-
Foreign exchange Translation	-	-	1,003	-	1,003	63	1,066
Net income recognised directly in equity	-	-	907	96	1,003	63	1,066
Profit for the period	-	-	-	80,687	80,687	2	80,689
Total income and expenses recognised for the period	-	-	907	80,783	81,690	65	81,755
Acquisitions of subsidiaries	-	-	-	-	-	9	9
Issuance of shares by subsidiaries to minority shareholders	-	-	-	-	-	1,569	1,569
Dividend - Year ended 31 March 2008	-	-	-	(62,389)	(62,389)	-	(62,389)
Issuance of ordinary shares pursuant to exercise of ESOS	831	635	-	-	1,466	-	1,466
At 30 September 2008 (Unaudited)	320,129	59,053	55,646	362,266	797,094	1,643	798,737

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Attributable to Equity Holders of the Company					Minority Interests	Total Equity
	Non distributable Reserve			Distributable Reserve			
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2007	273,586	52,544	55,386	220,771	602,287	504	602,791
Realisation of revaluation reserve recognised directly in equity	-	-	(94)	94	-	-	-
Profit for the period	-	-	-	50,155	50,155	9	50,164
Total income and expense recognised for the period	-	-	(94)	50,249	50,155	9	50,164
Dividend - Year ended 31 March 2007	-	-	-	(19,200)	(19,200)	-	(19,200)
Issuance of ordinary shares pursuant to exercise of ESOS	3,784	2,671	-	-	6,455	-	6,455
Issuance of ordinary shares pursuant to conversion of RCULS	11,100	377	(615)	-	10,862	-	10,862
At 30 September 2007 (Unaudited)	288,470	55,592	54,677	251,820	650,559	513	651,072

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	6 MONTHS ENDED 30 SEPTEMBER 2008 RM'000 (unaudited)	6 MONTHS ENDED 30 SEPTEMBER 2007 RM'000 (unaudited)
OPERATING ACTIVITIES		
Receipts from customers	306,230	209,456
Payments to contractors, suppliers and employees	(206,491)	(138,092)
Interest paid	(2,178)	(4,242)
Income tax paid	(11,517)	(2,995)
<i>Net cash flows from operating activities</i>	86,044	64,127
INVESTING ACTIVITIES		
Advances to an Associate	-	(33)
Additions to property, plant, equipment, leasehold land and plantation expenditure	(32,177)	(17,117)
Acquisition of subsidiaries	6,883	-
Interest received	1,504	862
Dividend received	-	278
<i>Net cash flows used in investing activities</i>	(23,790)	(16,010)
FINANCING ACTIVITIES		
Issuance of shares	1,466	6,455
Issuance of shares by subsidiaries to minority interests	1,569	-
Advances to a jointly controlled entity	(14,599)	(6,456)
Dividend paid	(62,389)	(19,200)
<i>Net cash flow used in financing activities</i>	(73,953)	(19,201)
Net Change in Cash and Cash Equivalents	(11,699)	28,916
Cash & Cash Equivalent at beginning of year	99,416	53,804
Cash & Cash Equivalent at end of period	87,717	82,720
Notes:		
	AS AT 30 SEPTEMBER 2008 RM'000	AS AT 30 SEPTEMBER 2007 RM'000
Cash and cash equivalents represents the following:		
Cash and bank balances	14,184	2,435
Deposits with licensed banks	73,533	80,285
	87,717	82,720

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The audited financial report has been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2008 which are available at <http://www.ijm.com>. The explanatory notes attached to the audited interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2008.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 except for the adoption of the following revised Financial Reporting Standard ("FRSs") which is effective for financial year beginning on 1 April 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government
Amendment to FRS 121	The Effects of Changes in the Foreign Exchange Rates – Net investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have any significant impact on the financial position of the Group.

A3. Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report for the financial year ended 31 March 2008 was not subject to any qualifications.

A4. Seasonality or Cyclicity of Operations

As the cropping pattern of oil palm normally declines to a trough in the first half of a calendar year before rising to a peak in a second half, the Group's performance can be affected accordingly.

A5. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence during the financial period under review.

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A6. Material Changes in Estimates

There were no major changes in estimates that have had material effect in the current quarter and financial period-to-date.

A7. Debt and Equity Securities

- (a) For the financial period ended 30 September 2008, the paid-up share capital of the Company was increased by RM830,639 by way of allotment and issue of 1,661,278 ordinary shares of RM0.50 each arising from the exercise of Employee Share Option Scheme (“ESOS”).
- (b) Except for the above, there were no other cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period-to-date.

A8. Dividend Paid

An interim dividend paid during the financial period ended 30 September 2008 in respect of the financial year ended 31 March 2008 was as follows:

	RM'000
(a) 18% less 25% taxation (9 sen per ordinary share); and	43,192
(b) 6% tax exempt dividend (3 sen per ordinary share)	19,197
	<hr/> <u>62,389</u>

The interim dividend was paid on 13 August 2008.

A9. Segmental Information

There was no segmental reporting as the Group’s activities are predominantly engaged in the oil palm cultivation and milling, and principally operated in Malaysia. The operation in Indonesia is significantly below the 10% thresholds required by the financial reporting standards for geographical segment analysis.

A10. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter and financial period-to-date.

A11. Material Subsequent Events

There was no material event subsequent to the end of the current quarter and financial period-to-date that has not been reflected in the unaudited financial statements.

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A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period-to-date except for the following:

- (a) On 7 July 2008, a wholly owned subsidiary, Minat Teguh Sdn. Bhd. (“MTSB”) subscribed 95 shares of Rupiah 1 million each representing 95% equity interest in PT Primabahagia Permai (“PBP”), a company incorporated in Indonesia, for a total cash consideration of Rupiah 95 million (approximately RM37,000).
- (b) On 7 July 2008, a wholly owned subsidiary Gunaria Sdn Bhd (“GSB”) subscribed 190 shares of Rupiah 1 million each, representing 95% equity interest in PT Sinergi Agro Industri (“PTS”), a company incorporated in Indonesia, for a total cash consideration of Rupiah 190 million (approximately RM72,000).

The above acquisitions have no significant effect on the financial results of the Group for the current quarter and financial period-to-date.

A13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since 31 March 2008.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2008 are as follows:

	2008
	RM'000
Property, plant, equipment and Plantation expenditure	
Approved and contracted for	47,927
Approved but not contracted for	48,711
	<u>96,638</u>
Share of capital commitments of a jointly controlled entity	
Approved and contracted for	18,814
Approved but not contracted for	6,675
	<u>25,489</u>
	<u>122,127</u>

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B Bursa Securities Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group revenue of RM152.4 million was higher than the corresponding quarter of the preceding year by 28.2%. The average CPO selling price improved by 20.6% from RM2,440 per tonne to RM2,943 per tonne. The average price of PKO increased by 16.5% from RM2,996 to RM3,489 per tonne.

Fresh fruit bunches (“FFB”) production for the current quarter increased by 1.9% compared to the corresponding quarter of the preceding year.

Costs of fuel, fertiliser, and materials for the quarter were significantly higher than that of the corresponding quarter of the preceding year. As a result, profit before taxation of RM49.0 million for the current quarter is a reduction of 6% from the same period of the preceding year.

The Group’s year-to-date revenue of RM310.9 million was higher than the corresponding period of the preceding year by 47.1%. The average CPO selling price of RM3,122 per tonne was an increase of 38.4% as compared to RM2,256 per tonne. The average price of PKO increased by 34.0% moving from RM2,807 to RM3,762 per tonne.

Year-to-date FFB production grew by 9.1% compared to the corresponding period of the preceding year, primarily due to more areas reaching prime age in Sugut.

As a result, year-to-date profit before taxation of RM107.0 million was 54.1% higher than the corresponding period of the preceding year.

Contribution to the Sabah state sales tax, statutory payment of cess to Malaysian Palm Oil Board (“MPOB”) and windfall profit levy to federal government are as follows:

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2008 RM'000	Preceding year quarter 30/09/2007 RM'000	Current year to date 30/09/2008 RM'000	Preceding year to date 30/09/2007 RM'000
Sabah sales tax	8,660	7,806	19,370	14,343
Windfall profit levy	2,139	-	2,139	-
MPOB Cesses:				
-Palm Oil Price Stabilisation Fund Order 2001	175	197	353	355
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	481	546	969	979
-Oil Palm Fruit Cess Order 2007 (Supply and Cooking Oil Price Stabilisation Scheme)	-	3,610	5,565	4,471
Total	11,455	12,159	28,396	20,148

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B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter

FFB production increased by 18.5% to 163,368 tonnes as production moved into peak crop season. Similarly, outside fruits purchase increased by 4.8% to 44,661 tonnes. 16,703 tonne of FFB were sold to third party mills due to capacity constraint while waiting for the commissioning of the second mill in Sugut.

CPO and PKO sales volume were marginally higher by 3.1% and 0.3% respectively.

Average CPO selling price reduced by 11.0% from RM3,306 per tonne to RM 2,943 per tonne while average PKO selling price decreased by 13.6% from RM4,036 to RM3,489 per tonne.

As a result, revenue and profit before taxation for the current quarter were RM6.1 million (3.9%) and RM 8.9 million (15.4%) lower respectively.

B3. Prospects for the Current Financial Year

For the current financial year ending 31 March 2009, the Group expects higher crop production. Upward cost pressure, arising from the increase in fuel, fertiliser and material prices, is expected to impact cost of production. Although palm product prices have declined significantly since September 2008, the Group still expects a satisfactory performance for the financial year, barring unforeseen circumstances.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Taxation

The taxation of the group for the financial period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE QUARTER 6 MONTHS ENDED 30 SEPTEMBER	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax				
-Malaysian income tax	6,967	3,639	15,359	6,235
-Foreign tax	4	-	4	-
Deferred tax	5,147	10,857	10,911	12,996
	12,118	14,496	26,274	19,231

The Group effective tax rate (excluding the result of associate and jointly controlled entities which are equity accounted net of tax) is marginally higher than the statutory tax rate of 25% due to non deductibility of certain expenses for tax purposes.

B6. Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter and financial period-to-date.

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B7. Quoted Investment

There were no purchases or disposals of quoted investments for the current quarter and financial period-to-date.

B8. Status of Corporate Proposals

On 4 April 2007, a wholly owned subsidiary, Gunaria Sdn. Bhd. (“GSB”) entered into a Conditional Sale and Purchase Agreement to acquire 2,850 shares of Rupiah 1 million each, representing 95% equity interest in PT Zarhasih Kaltim Perkasa (“ZKP”), a company incorporated in Indonesia, for a total cash consideration of Rupiah 2,850 million (approximately RM1,056,000). Approval from the Indonesia Investment Coordinating Board for the conversion of ZKP to a foreign capital investment company had been obtained. Subscription of shares in ZKP by GSB is pending clearance from the Indonesia Ministry of Law and Justice and Company Registry.

Except for the above, there were no corporate proposals announced but pending completion for the current quarter and financial period-to-date.

B9. Group Borrowings

Particulars of the Group’s borrowings as at 30 September 2008 are as follows:

Unsecured:	RM’000
Short term borrowing	
<u>Bond</u>	35,000
Less: Discount on issuance	
At beginning of year	54
Amortisation for the period	(40)
	14
 Total Short term borrowing	34,986
Long term borrowing	
<u>Bond</u>	35,000
Less: Discount on issuance	
At beginning of year	105
Amortisation for the period	(32)
	73
 Total Long term borrowing	34,927
 Total Borrowings	69,913

There were no borrowings denominated in foreign currency.

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B10. Off Balance Sheet Risk Financial Instruments

As detailed in note 27 of the audited financial statements for the year ended 31 March 2008, the Company issued RM150 million bonds under the Islamic Financing concept of AL-Bai' Bithaman Ajil. Arising from this, on 18 February 2004, the Company entered into the rate swap contracts which remained outstanding as at 30 September 2008 is as follows:

Rate Swap	Notional Amount	Effective Period
5 years Ringgit Fixed rate @ 6.65% to floating rate @ 6 months Klibor (in arrear) + 1.90%	RM35,000,000.00	18 February 2004 to 15 December 2008

Any differential to be paid or received on the rate swap contracts is recognised as a component of related expense over the period of the contracts. Gains or losses on early termination of swap contracts or on repayment of the borrowings are taken to the income statements.

There is minimal credit risk as the rate swap contracts were entered into with a reputable financial institution.

B11. Changes in Material Litigation

There was no material litigation since 31 March 2008.

B12. Dividend

The Directors do not recommend any interim dividend for the current quarter and financial period-to-date.

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B13. Earnings per Share

Basic and diluted earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holder of the Company and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares from conversion of the 5% RCULS and the exercise of ESOS. The amount of profit for the period attributable to ordinary equity holders of the Company is adjusted by the after-tax effects of interest expense recognised during the period which would have been saved on conversion of the outstanding RCULS into ordinary shares. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares which would be issued on the conversion of the outstanding RCULS and upon exercise of the ESOS into ordinary shares. The RCULS and ESOS are deemed to have been converted into ordinary shares at the beginning of the financial year.

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE QUARTER 6 MONTHS ENDED 30 SEPTEMBER	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<u>Basic Earnings per share</u>				
(a) Profit for the period attributable to equity holders of the Company	36,915	37,667	80,687	50,155
(b) Weighted average number of ordinary shares ('000')	639,917	576,727	639,363	570,795
Basic Earnings per share (sen)	5.77	6.53	12.62	8.79
<u>Diluted Earnings per share</u>				
(a) Adjusted Profit for the period attributable to equity holders of the Company	36,915	38,013	80,687	50,887
(b) Weighted average number of ordinary shares ('000')	639,917	576,727	639,363	570,795
Effect of dilution				
-RCULS	-	57,300	-	60,818
-ESOS	900	4,559	933	4,379
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	640,817	638,586	640,296	635,992
Diluted Earnings per share (sen)	5.76	5.95	12.60	8.00

B14. Comparative Figures

Comparative figures, where applicable, have been modified to conform with the current quarter and financial period-to-date presentation.